

CONTENTS

Company Information	2
Directors' Report	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	5
Condensed Interim Statement of Comprehensive Income	6
Condensed Interim Cash Flow Statement	7
Condensed Interim Statement of Changes in Equity	8
Notes to the Condensed Interim Financial Statements	9
Consolidated Financial Statements	11

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sikander Dada - Chairman
Dr. Mahmood Ahmad - Chief Executive
Maqbool H. H. Rahimtoola
C. H. Clover
Ilyas Sharif
Muhammad Naseem
Hamid Masood Sohail
N. K. Shahani - Alternate to C. H. Clover

AUDIT COMMITTEE

Hamid Masood Sohail
Maqbool H. H. Rahimtoola
Muhammad Naseem

CFO & COMPANY SECRETARY

Abdul Wahid Qureshi

BANKERS

Habib Bank Limited
MCB Bank Limited
United Bank Limited
The Royal Bank of Scotland
JS Bank Limited
Habib Metropolitan Bank Limited
Citibank N. A.

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

SOLICITORS

SurrIDGE & BeechENO

COMPANY REGISTRAR

Gangjees Registrar Services (Pvt.) Ltd.

DIRECTORS' REVIEW

The Directors of your company are submitting the un-audited financial statements of the company for the quarter ended September 30, 2010.

Operational result

This year was started amid worst economic conditions resulted after devastating floods in Khyber Pakhtunkhawa, parts of southern Punjab and interior Sindh. Law & Order situation in the country remained deteriorated especially in Southern part of country. Increasing trend in interest rates and power crises adversely affected performance of the company.

However, despite all these conditions your company has achieved sales of Rs.724 million during the Quarter ended September 30, 2010 as compared to Rs. 785 million for the same period last year showing a decline of only 8%. Decline in sales is mainly attributable to the factors mentioned above.

During the period under review, the company has consolidated its production facilities at one place which has resulted in synergies and operational efficiencies. After disposal of the Karachi land & building, the company has managed to bring a positive contribution through reduction in financial cost of the company.

Future Outlook

We look forward a good year ahead and expect rehabilitation activities in flood hit areas will help in revival of economic activities in the country. Leveraging on our diversification we are hopeful to deliver improved result in the balance period of the year.

On behalf of the Board

Dr. Mahmood Ahmad
Chief Executive

Karachi
Dated: October 25, 2010

BERGER PAINTS PAKISTAN LIMITED
 CONDENSED INTERIM BALANCE SHEET
 AS ON SEPTEMBER 30, 2010 (UN-AUDITED)

	Note	Sep 30, 2010 (Rupees in thousand)	Jun 30, 2010
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		711,406	715,499
Assets under finance lease		8,942	6,468
Goodwill		40,750	40,750
Long-term investments (subsidiaries and an associate)		6,962	6,962
Long-term loans		10,574	9,928
Long-term deposits		13,957	13,580
Deferred taxation		114,964	96,022
		907,555	889,209
CURRENT ASSETS			
Stores		7,250	8,375
Stock in trade		1,058,672	966,347
Trade debts		668,101	599,377
Loans and advances		47,263	47,633
Trade deposits and short-term prepayments		21,894	19,638
Other receivables		31,507	65,928
Taxation - net		109,621	105,508
Cash and bank balances		157,815	282,170
		2,102,123	2,094,976
TOTAL ASSETS		3,009,678	2,984,185
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 25,000,000 ordinary shares of Rs.10 each		250,000	250,000
Issued, Subscribed and paid-up capital		181,864	181,864
Reserves		341,819	341,819
Accumulated loss		(84,732)	(64,226)
		438,951	459,457
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		209,131	210,343
NON-CURRENT LIABILITIES			
Long term financing		-	-
Liability under finance lease		5,695	4,023
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables		948,028	960,277
Current maturity of long-term financing		33,333	50,000
Current maturity of liability under finance lease		2,709	2,112
Accrued mark-up		48,147	44,420
Short-term borrowings		1,323,684	1,253,553
		2,355,901	2,310,362
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		3,009,678	2,984,185

The annexed notes form an integral part of these condensed interim financial statements.

Chief Executive

Director

BERGER PAINTS PAKISTAN LIMITED
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Sep 30, 2010	SEP 30, 2009
	(Rupees in thousand)	
Net sales	724,872	785,385
Cost of sales	574,493	587,201
Gross Profit	150,379	198,184
Administrative expenses	37,980	36,685
Distribution cost	103,529	136,803
	141,509	173,488
Operating Profit	8,870	24,696
Other operating income	10,331	13,526
	19,201	38,221
Finance cost	49,509	61,246
Other charges	3,104	9,933
	52,613	71,179
Loss before taxation	(33,412)	(32,958)
Taxation	(11,694)	(11,535)
Loss after taxation	(21,718)	(21,423)
	Rupees	
Loss per share - basic and diluted	(1.19)	(2.62)

The annexed notes form an integral part of these accounts.

Chief Executive

Director

BERGER PAINTS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Sep 30, 2010 (Rupees in thousand)	Sep 30, 2009
Loss after taxation	(21,718)	(21,423)
Total comprehensive loss for the quarter	(21,718)	(21,423)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

BERGER PAINTS PAKISTAN LIMITED
 CONDENSED INTERIM CASH FLOW STATEMENT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

Sep 30, Sep 30,
 2010 2009
 [Rupees in thousand]

CASH FLOWS FROM OPERATING ACTIVITIES

Cash utilised in operations	(106,733)	(15,697)
Finance costs paid	(45,782)	(55,516)
Income tax paid	(11,362)	(11,178)
Long-term loans - net	(646)	933
Long-term deposits - net	(377)	(67)
Net cash outflow from operating activities	(164,900)	(81,525)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure	(15,688)	(10,450)
Sales proceeds from disposal of fixed assets	500	-
Net cash outflow from investing activities	(15,188)	(10,450)

CASH FLOWS FROM FINANCING ACTIVITIES

Short-term borrowings - net	57,500	(165,000)
Lease Liability	2,269	-
Long term financing - net	(16,667)	250,000
Net cash inflow from financing activities	43,102	85,000

Net decrease in cash and cash equivalents **(136,986)** (6,975)

Cash and cash equivalents at the beginning of the period **(641,383)** (908,388)

Cash and cash equivalents at the end of the period **(778,369)** (915,363)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

BERGER PAINTS PAKISTAN LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Capital Reserves		Revenue Reserves		Total Share Capital and Reserves
	Issued, subscribed and paid-up share capital	Share premium	General reserve	Unappropriated profit / (accumulated loss)	
	(Rupees in thousand)				
Balance as at July 1, 2009	81,864	56,819	285,000	(227,032)	196,651
Total comprehensive loss for the quarter ended September 30, 2009	-	-	-	(21,423)	(21,423)
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the year - net of tax	-	-	-	2,023	2,023
Balance as at September 30, 2009	81,864	56,819	285,000	(246,432)	177,251
Ordinary shares of Rs. 10 each issued as right shares during the year ended June 30, 2010	100,000	-	-	-	100,000
Surplus on revaluation of property, plant and equipment realised through disposal of leasehold land	-	-	-	267,051	267,051
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the year - net of tax	-	-	-	9,953	9,953
Total comprehensive loss for the year ended June 30, 2010	-	-	-	(94,798)	(94,798)
Balance as at June 30, 2010	181,864	56,819	285,000	(64,226)	459,457
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the year - net of tax	-	-	-	1,212	1,212
Total comprehensive loss for the period ended September 30, 2010	-	-	-	(21,718)	(21,718)
Balance as at September 30, 2010	181,864	56,819	285,000	(84,732)	438,951

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

BERGER PAINTS PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan on March 25, 1950 as a private limited company under the Companies Act, 1913 and was subsequently converted into a public limited company. The Company's shares are quoted on the Karachi and Islamabad stock exchanges. The Company is engaged in the manufacturing of paints, varnishes and other related items. Slotrapid Limited, based in British virgin Island is the holding Company of Berger Paints Pakistan Limited.

The registered office of the Company is situated at D-31, South Avenue, S.I.T.E Karachi.

2. BASIS OF PREPARATION

These interim condensed financial statements are unaudited and are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2010.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of interim condensed financial statements are same as those published in the annual financial statements for the year ended June 30, 2010.

4. PROPERTY, PLANT AND EQUIPMENT

	Sep 30, 2010	Sep 30, 2009
	(Rupees in thousand)	
Additions	12,245	10,450

5. CONTINGENCY AND COMMITMENTS

5.1 Contingencies

There is no change in the status of contingency, set out in note 27 to the annual financial statements of the company for the year ended June 30, 2010.

5.2 Commitments

5.2.1 Outstanding letters of credit as at September 30, 2010 amounted to Rs 297.470 million [June 30, 2010: Rs 378.268 million].

5.2.2 Outstanding letters of guarantees as at September 30, 2010 amounted to Rs 61.951 million [June 30, 2010: Rs 43.265 million].

6 . TRANSACTIONS WITH RELATED PARTIES

The following table provides details in respect of transactions entered into with related parties during the Quarter ended September 30, 2010 and September 30, 2009.

	Sep 30, 2010	Sep 30, 2009
	(Rupees in thousand)	
Sales		
Berger DPI (Private) Limited - a subsidiary	557	7,455
Berger Road Safety (Private) Limited - an associated	5,538	-
Buxly Paints Limited - an associated	21,262	14,297
Dadex Eternit Limited - an associated	145	828
Berdex Construction Chemicals (Private) Limited - a subsidiary	3,238	5,436
Toll manufacturing Income		
Buxly Paints Limited - an associated	1,046	209
Rental income and other services charged		
Berdex Construction Chemicals (Private) Limited - a subsidiary	1,513	1,513
Berger DPI (Private) Limited - a subsidiary	1,107	1,107
Buxly Paints Limited - an associated	240	240
Royalty		
Buxly Paints Limited - an associated	122	200
Slotrapid Limited B.V.I - holding company	5,100	3,482

7 . DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue on October 25, 2010 by the Board of Directors of the Company.

8 . GENERAL

Figures presented in these interim condensed financial statements have been rounded off to the nearest thousand rupees.

**BERGER PAINTS PAKISTAN LIMITED
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2010**

BERGER PAINTS PAKISTAN LIMITED
 CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
 AS ON SEPTEMBER 30, 2010 (UN-AUDITED)

	Sep 30, 2010	Jun 30, 2010 Restated
	(Rupees in thousand)	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	713,594	717,743
Assets under finance lease	8,942	6,468
Goodwill	40,750	40,750
Long-term investments (subsidiaries and an associate)	3,203	3,510
Long-term loans	11,333	10,570
Long-term deposits	15,222	14,845
Deferred taxation	114,964	96,022
	908,008	889,908
CURRENT ASSETS		
Stores	7,250	8,375
Stock in trade	1,059,296	966,347
Trade debts	683,769	620,935
Loans and advances	48,386	48,892
Trade deposits and short-term prepayments	22,269	20,013
Other receivables	36,875	69,426
Taxation - net	114,375	109,945
Cash and bank balances	162,557	289,245
	2,134,777	2,133,178
TOTAL ASSETS	3,042,785	3,023,086
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Issued, Subscribed and paid-up capital	181,864	181,864
Reserves	341,819	341,819
Accumulated loss	(73,490)	(51,648)
	450,193	472,035
Minority Interest	14,490	15,419
Advance against issue of share capital	41	41
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	209,131	210,343
NON-CURRENT LIABILITIES		
Long term financing	-	-
Liability under finance lease	5,695	4,023
CURRENT LIABILITIES AND PROVISIONS		
Trade and other payables	955,362	971,140
Current maturity of long-term financing	33,333	50,000
Current maturity of liability under finance lease	2,709	2,112
Accrued mark-up	48,147	44,420
Short-term borrowings	1,323,684	1,253,553
	2,363,235	2,321,225
TOTAL EQUITY AND LIABILITIES	3,042,785	3,023,086

Chief Executive

Director

BERGER PAINTS PAKISTAN LIMITED
 CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Sep 30, 2010	Sep 30, 2009
	(Rupees in thousand)	
Net sales	726,589	790,751
Cost of sales	574,992	588,001
Gross profit	151,597	202,750
Selling and distribution costs	104,969	137,764
Administrative expenses	38,339	36,685
	143,308	174,449
Operating profit	8,289	28,301
Other operating income	8,961	10,906
	17,250	39,207
Loss from associate	(307)	-
	16,943	39,207
Finance costs	49,516	61,268
Other charges	3,104	9,933
	52,620	71,201
Loss before taxation	(35,677)	(31,994)
Taxation	(11,694)	(10,898)
Loss after taxation	(23,983)	(21,096)
Minority interest	(929)	165
Net loss for the quarter attributable to the holding company	(23,054)	(21,261)
	Rupees	
Earnings per share - basic and diluted	(1.27)	(2.60)

Chief Executive

Director

BERGER PAINTS PAKISTAN LIMITED
 CONDENSED INTERIM CONSOLIDATED STATEMENT OF
 COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Sep 30, 2010	Sep 30, 2009
	(Rupees in thousand)	
Loss after taxation	(23,983)	(21,096)
Minority interest	(929)	165
Total comprehensive loss for the quarter	(23,054)	(21,261)

Chief Executive

Director

BERGER PAINTS PAKISTAN LIMITED
 CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

Sep 30, Sep 30,
 2010 2009
 (Rupees in thousand)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash utilised in operations	(108,037)	(10,534)
Finance costs paid	(45,788)	(55,535)
Income tax paid	(12,268)	(15,433)
Long-term loans - net	(763)	963
Long-term deposits - net	(377)	(12)
Net cash outflow from operating activities	(167,233)	(80,551)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure	(15,688)	(10,450)
Sales proceeds from disposal of fixed assets	500	-
Net cash outflow from investing activities	(15,188)	(10,450)

CASH FLOWS FROM FINANCING ACTIVITIES

Short-term borrowings - net	57,500	(165,000)
Lease Liability	2,269	-
Long term financing - net	(16,667)	250,000
Net cash inflow from financing activities	43,102	85,000
Net decrease in cash and cash equivalents	(139,319)	(6,001)
Cash and cash equivalents at the beginning of the period	(634,308)	(905,966)
Cash and cash equivalents at the end of the period	(773,627)	(911,967)

Chief Executive

Director

BERGER PAINTS PAKISTAN LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

	Attributable to equity holders of the parent					Non-controlling interest	Total Equity
	Capital Reserves	Revenue Reserves			Total Share Capital and Reserves		
	Issued, subscribed and paid-up share capital	Share premium	General reserve	Unappropriated profit/ (accumulated loss)	(Rupees in thousand)		
Balance as at July 1, 2009 - restated	81,864	56,819	285,000	(219,352)	204,331	16,719	221,050
Total comprehensive loss for the quarter ended September 30, 2009	-	-	-	(21,261)	(21,261)	165	(21,096)
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the year - net of tax	-	-	-	2,023	2,023	-	2,023
Balance as at September 30, 2009	81,864	56,819	285,000	(238,590)	185,093	16,884	201,977
Ordinary shares of Rs 10 each issued as right shares during the year ended June 30, 2010	100,000	-	-	-	100,000	-	100,000
Surplus on revaluation of property, plant and equipment realised through disposal of leasehold land	-	-	-	267,051	267,051	-	267,051
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the year - net of tax	-	-	-	9,953	9,953	-	9,953
Total comprehensive loss for the year ended June 30, 2010 - restated	-	-	-	(90,062)	(90,062)	(1,465)	(91,527)
Balance as at June 30, 2010 - restated	181,864	56,819	285,000	(51,648)	472,035	15,419	487,454
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the year - net of tax	-	-	-	1,212	1,212	-	1,212
Total comprehensive loss for the year quarter ended September 30, 2010	-	-	-	(23,054)	(23,054)	(929)	(23,983)
Balance as at September 30, 2010	181,864	56,819	285,000	(73,490)	450,193	14,490	464,683

Chief Executive

Director